



MEMORANDUM

TO: Mayor and Council

FROM: Ed Van Eenoo, Deputy Chief Financial Officer

DATE: February 18, 2015

SUBJECT: General Homestead and Over 65 Exemption Supporting Documents

This memo is intended to provide Mayor and Council with a summary of staff analyses, information, and prior Council actions concerning the general homestead and over 65 exemptions. Included are memos regarding potential revenue impacts, responses to Council budget questions, presentations to Council, and approved Council resolutions from March 20, 2014 and November 20, 2014, which resulted in an increase in the over 65 exemption amount and a 0.01% general homestead exemption for all homesteaded properties, respectively. Also included is the City's State Legislative Program for the 84th Texas Legislature, a summary of property value exemptions of local taxing entities and historical data on taxable values, levies and tax rates.

I hope you find this information helpful in your deliberations on the issue of implementing a 20% Homestead Tax Exemption in the City. If you have any questions or require additional information, I can be reached at extension 42638.

xc: City Manager
Assistant City Managers
Chief of Staff
Chief Financial Officer
Deputy Chief Financial Officer

**2013-2014 FINANCIAL FORECAST
RESPONSE TO REQUEST FOR INFORMATION**

DEPARTMENT: FSD

REQUEST NO.: 48

REQUESTED BY: Morrison

DATE REQUESTED: 7/1/13

DATE POSTED: 8/28/13

REQUEST: Please provide information on the homestead property tax exemptions that the City provides (e.g. for seniors, disabled, veterans, etc.). For each exemption, please provide the amount of the exemption for an eligible person, how much cumulatively the exemption reduces the property tax revenue, and what the impact would be to the City's revenue of increasing the exemption by 5% or 10%.

RESPONSE:

The state tax code allows for four types of homestead exemptions: general; over 65 years of age; disabled; and disabled veteran.

General Homestead Exemption

This exemption is not provided by the City of Austin.

Exemption for Disabled Veterans

The property tax exemption is set by state law and cannot be changed by the City. The value of the exemption is based on the degree of the disability. A veteran deemed 100% disabled is entitled to a tax exemption of the total appraised value of the residence homestead. Partially disabled veteran's exemptions range from \$5,000 to \$12,000 based on the following schedule:

% Disability	Exemption
10-29	\$5,000
30-49	\$7,500
50-69	\$10,000
70-99	\$12,000

The 2013 disabled veteran valuation exempted is \$182 million. At the 2013-2014 proposed tax rate of 51.14 cents, the revenue lost is \$932,000.

Exemption for 65 and Older

An individual who is 65 or older is entitled to an exemption from taxation by the City of \$51,000 of the appraised value of the homestead. This flat rate is set by Council. For 2013, the property exempted was valued at \$1.5 billion. At the 2013-2014 proposed tax rate of 51.14 cents, the revenue lost is \$7.7 million. If the exemption amounts increased by 5% to \$53,550, the revenue loss would be an additional \$384,500. If the exemptions increased by 10% to \$56,100, the incremental revenue loss would be \$769,000.

Disability Exemption

The exemption due to a disability is currently set at the same rate as the 65 or older rate, \$51,000, and is also set by Council. For 2013, the property exempted was valued at \$111.8 million. At the 2013-2014 proposed tax rate of 51.14 cents, the revenue lost is \$572,000. If the exemption amounts increased by 5% to \$53,550, the revenue loss would be an additional \$31,000. If the exemptions increased by 10% to \$56,100, the revenue loss would be \$62,000.



M E M O R A N D U M

TO: Mayor & Council

FROM: Ed Van Eenoo, Deputy Chief Financial Officer *EW*

DATE: February 28, 2014

SUBJECT: Resolution No. 20130926-084 re: Age-65-and-Older and Disabled Person
Property Tax Exemptions

Council Resolution No. 20130926-084 contained several directions for staff with regard to exploring options for increasing the amount of the property tax exemptions for residents aged 65 and older and for disabled persons:

- to draft an ordinance that increases the exemptions and to place it on the Council agenda within a timeframe that would allow the changes to be reflected on property tax assessments for the City's fiscal year 2014-15 Budget;
- to report back to Council as to the cost of a \$1,000 increase in the exemptions; and,
- to propose a procedure that would allow Council to consider annual increases in the exemptions that would offset the burden of a property tax increase for the owner of a median-priced home who qualifies for one of the exemptions.

Staff drafted an ordinance, which was originally discussed as part of Council's agenda for its January 23, 2014 meeting, and distributed a related memo on January 17, 2014 (attached) providing cost projections and other analysis as requested by Council. This memo expands upon that analysis and refines our earlier cost projections in response to specific issues raised by Council during its January work session.

Significant Demographic Trends

Several Councilmembers were interested in additional information as to the percentage of the City's residents over the age of 65, how this percentage is likely to change in coming years, and the breakdown of renters versus homeowners in this population in comparison with the City as a whole. Relying on the 2012 American Community Survey, property information from the Travis County Appraisal District, and projections from the City Demographer, financial staff have developed a snapshot of Austin's senior population and its housing habits, as well as a forecast of how this picture is likely to shift in the next five years.

Three overarching demographic trends undergird our analysis. First, residents aged 65 years and older are significantly more likely to be counted among homeowners than are their younger fellow citizens. In Austin as a whole, the majority of residents, more than 55%, are renters. Among seniors, however, nearly 75% live in a home they or their head of household owns. Thus, while approximately three-quarters of households led by a resident over the age of 65 would gain financial benefits from an increase in the amount of the exemption, the approximately one-quarter of seniors who rent their homes would see no benefit. To the contrary, should the City elect to recoup the revenue loss resulting from an exemption increase by increasing tax rates, renters would likely experience increased rents as the rental market adjusted to this higher tax burden.

Second, seniors typically own higher value homes than does the general populace. While the median home value in Austin in FY 2013-14 is \$185,133, the median value of homes currently taking the over-65 exemption is \$216,031, nearly 17% higher.

Third, the percentage of the City's residents over the age of 65 is projected to increase as a share of its total population. The City Demographer projects that the share of the City's population over the age of 65, currently 7.7%, will reach 16% by 2040. Assuming a constant compound annual growth rate, financial staff forecast that the over 65 share of total population will rise to 8.8% by fiscal year 2018-19. As a result, the financial impacts of any change to the over-65 property tax exemption should be expected to become more profound as a larger and larger share of the City's population becomes eligible for it. This expanding share of population is the key input driving financial staff's revised cost analysis presented below.

Revised Projections of Revenue Loss from Increasing the Exemption Amount

In this revised analysis, the value exempted from the 31,686 properties currently qualifying for the over-65 exemption has been inflated in proportion with expected gains in seniors' share of the population, in addition to increasing in accordance with anticipated growth in assessed valuations across the City. In order to isolate the effect of growth in the share of our population over the age of 65, we have assumed that average household sizes, as well as the breakdown between renters and owners (both among seniors and in the population as a whole) will remain constant.

The table on the next page outlines the projected cost of increasing the current exemption amount of \$51,000. As outlined above, these projections rely on forecasted increases in assessed valuations and reflect anticipated shifts in the relative percentage of the City's households owned and occupied by residents over age 65, and they also incorporate expected growth in the number of disabled persons residing in the City, which we have assumed will mirror the growth rate of the population as a whole. The projections also assume the nominal tax rate of 50.27 cents per \$100 of assessed valuation for all years. Any increase in the tax rate from its current level would likewise increase the potential loss in revenue.

Increase Exemption To:	FY15 Estimated Cost	Total 5-Year Estimated Cost
\$52,000	\$170,619	\$853,100
\$53,000	\$341,234	\$1,706,188
\$54,000	\$511,840	\$2,559,247
\$55,000	\$682,391	\$3,412,241
\$56,000	\$852,857	\$4,265,150
\$57,000	\$1,023,241	\$5,117,964
\$58,000	\$1,193,498	\$5,970,586
\$59,000	\$1,363,618	\$6,822,950
\$60,000	\$1,533,602	\$7,674,956
\$70,000	\$3,223,101	\$16,157,608
\$80,000	\$4,889,001	\$24,542,468
\$90,000	\$6,527,033	\$32,803,524
\$100,000	\$8,132,853	\$40,922,585

Please note that this table can be viewed in comparison with the similar table included in the original January 17 memo. The analysis contained in that earlier memo did not account for projected growth in the senior or disabled persons populations. Unsurprisingly, incorporating expected growth in the over 65 population has increased the projected cost of increasing the amount of the exemption. For instance, in the prior memo we anticipated that a \$1,000 increase in the level of the exemption would cost the City \$166,019 in fiscal year 2014-15 and \$830,103 over the next five years. It is now projected that **a \$1,000 increase in the property tax exemptions is anticipated to result in a revenue loss of \$170,619 in FY15, and \$853,100 over the next five years.**

Impacts to Other Taxpayers of Prospective Increases in Exemption

Another topic of Council discussion centered on the potential shift in tax burden if the City were to elect to recoup the revenue loss resulting from an increase in the level of the exemption through higher tax rates. The table below displays the fiscal year 2014-15 property tax bill impact to the owner of a median-valued home for various increases in the amount of the exemption, assuming that the City would adjust the tax rate to realize the same amount of revenue as it would have had if no change were made to the amount of the exemption.

Increase Exemption To:	FY15 Lost Revenue	O65/DP Savings	Cost to Median-Value Homeowner
\$52,000	\$170,619	\$5.03	\$0.36
\$53,000	\$341,234	\$10.05	\$0.71
\$54,000	\$511,840	\$15.08	\$1.07
\$55,000	\$682,391	\$20.11	\$1.43
\$56,000	\$852,857	\$25.14	\$1.79
\$57,000	\$1,023,241	\$30.16	\$2.15
\$58,000	\$1,193,498	\$35.19	\$2.50
\$59,000	\$1,363,618	\$40.22	\$2.86
\$60,000	\$1,533,602	\$45.24	\$3.22

\$70,000	\$3,223,101	\$95.51	\$6.79
\$80,000	\$4,889,001	\$145.78	\$10.34
\$90,000	\$6,527,033	\$196.05	\$13.85
\$100,000	\$8,132,853	\$246.32	\$17.32

Increasing the exemption to a total amount of \$70,000, for instance, would save a disabled or senior homeowner an additional \$95.51 (assuming that the value of the home was sufficiently high to leverage the entire amount of the higher exemption). However, this increase would also lead the City to realize approximately \$3.2 million in less revenue at the nominal rate. The concomitant increase in the tax rate necessary to restore this revenue would cost the projected median-value homeowner an additional \$6.79 in fiscal year 2014-15. This increase would also affect businesses and other non-residential classes of property owners. Although the relationship is not perfectly linear, roughly speaking, each \$1,000 increase in the exemption would engender an additional property tax burden of approximately \$0.18 for every \$100,000 of assessed value.

Implications of a “Tax Freeze”

Subsequent to the discussion at the January work session, staff received an additional request to analyze the projected cost of a “tax freeze” for homeowners aged 65 or older, similar to the state-mandated tax freeze policy applicable to school districts. Generally speaking, under this law a homeowner’s school district property tax bill is frozen at the dollar amount that is paid during the tax year in which the homeowner turns 65.

The table below displays the projected revenue loss over the next five years if such a tax freeze were instituted for fiscal year 2014-15. These projections rely on forecasted increases in assessed valuations as well as reflect anticipated shifts in the relative percentage of the City’s households owned and occupied by a resident over age 65. The scenario also anticipates that disabled persons would see their property tax bill frozen upon first receiving the exemption, and assumes that the growth rate of this population will mirror that of the City as a whole. The projections also assume the nominal tax rate of 50.27 cents per \$100 of assessed valuation for all years. Any increase in the tax rate from its current level would likewise increase the potential loss in revenue.

	Annual Revenue Loss	Cumulative Revenue Loss
FY15	\$1,810,238	
FY16	\$3,661,577	\$5,471,815
FY17	\$4,847,083	\$10,318,897
FY18	\$6,089,054	\$16,407,952
FY19	\$7,327,099	\$23,735,050

The January 17 memo included an analysis of an alternative mechanism for achieving tax neutrality for our seniors. In that case, however, the tax neutrality was achieved by calculating increases in the exemption necessary to hold the tax bill on the median-value homeowner constant over time. Under that scenario, property owners newly qualifying for the exemption would see a significant reduction in their tax burden in the first year as the amount of the exemption was deducted from their total property value. In contrast, under the ‘tax freeze’ option presented here each senior would see their City tax bill frozen at the amount that obtained in the

tax year in which they turned 65. The cost of the earlier, exemption-based scenario was estimated at \$1.5 million in FY2014-15 and \$20.3 million over the next five years. The 'tax freeze' scenario presented here is forecasted to cost \$1.8 million in FY2014-15 and \$23.7 million over the next five years. As a result of the significant revenue implications, staff continues to recommend against adopting any policy that would result in a permanently fixed level of tax revenue from any specific property owner, i.e. the owner of median-value home.



M E M O R A N D U M

TO: Mayor & Council

FROM: Ed Van Eenoo, Deputy Chief Financial Officer *EW*

DATE: January 17, 2014

SUBJECT: Resolution No. 20130926-084 re: Age-65-and-Older and Disabled Person
Property Tax Exemptions

Council Resolution No. 20130926-084 contained several directions for staff with regard to exploring options for increasing the amount of the property tax exemptions for residents aged 65 and older and for disabled persons:

- to draft an ordinance that increases the exemptions and to place it on the Council agenda within a timeframe that would allow the changes to be reflected on property tax assessments for the City's fiscal year 2014-15 Budget;
- to report back to Council as to the cost of a \$1,000 increase in the exemptions; and,
- to propose a procedure that would allow Council to consider annual increases in the exemptions that would offset the burden of a property tax increase for the owner of a median-priced home who qualifies for one of the exemptions.

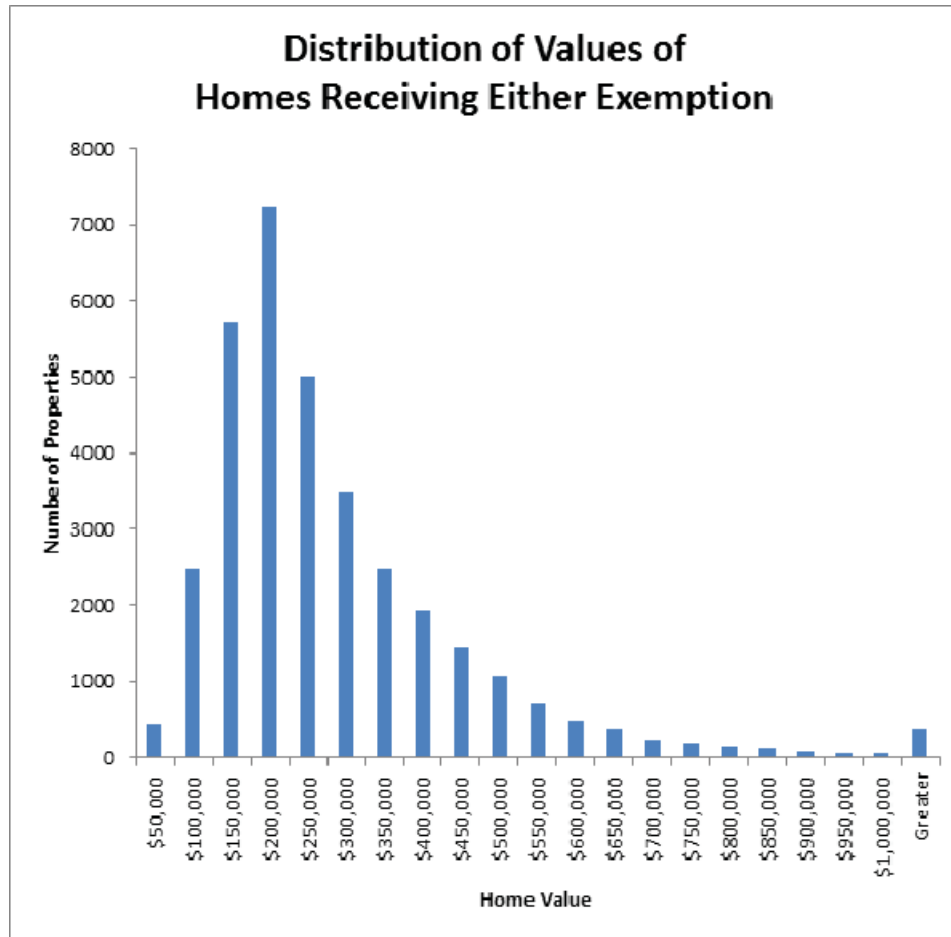
Staff has drafted an ordinance, which will be considered as part of Council's agenda for its January 23, 2014 meeting. This memo provides broader context for consideration of that ordinance, in addition to responding to the remaining two directions included in the resolution.

Background

The ordinance providing for a property tax exemption for our community's senior citizens was first passed in 1974, at a level of \$3,000. By 1986, the last time the ordinance was updated, the amount of the exemption had increased to \$51,000 and disabled persons were included as qualified participants.

For fiscal year 2013-14, a total of 34,081 properties received either the over-65 or disabled person exemption (one may take only one of the exemptions even if eligible for both). 31,686 properties received the over-65 exemption and 2,395 received the disabled persons exemption. The median value of these properties was \$210,539, about 14% higher than the citywide

residential median value of \$185,133. The total assessed valuation, net of exemption, for all properties receiving it, was over \$7 billion, or about 7.9% of the City's total tax roll.



Since 1986, the price of a representative home in the City has increased by nearly 155% cumulatively, or by an average of about 5.3% per year. The property tax rate has ranged from 40.73 cents per \$100 of assessed value in FY87 to 50.27 cents today, peaking at 64.10 cents in FY93 and falling to a low of 40.12 cents in FY09. As a result of these inputs, the tax bill on a representative home has risen, net of the exemptions, by an average rate of just over 6% annually over this same timeframe.

The remainder of this memo will outline the cost of increasing the exemptions by various amounts, and it offers a potential mechanism by which Council might elect to adjust the level of the exemptions on an annual basis.

Revenue Loss from Increasing the Exemption Amount

The table below outlines the projected cost of increasing the current exemption amount of \$51,000. Please note that while the projections do rely on expected increases in assessed valuations, they make no assumption as to growth in the number of properties qualifying for either exemption. The projections also assume the nominal tax rate of 50.27 cents per \$100 of

assessed valuation for all years. Any growth in the number of qualified individuals due to population growth and longer life expectancies—both of which are expected to occur in the years ahead—would increase the amount of the projected revenue loss. Any increase in the tax rate from its current level would likewise increase the potential loss in revenue.

Increase Exemption From \$51,000 to:	FY15 Estimated Revenue Loss	Total 5-Year Estimated Revenue Loss
\$52,000	\$166,019	\$830,103
\$53,000	\$332,036	\$1,660,194
\$54,000	\$498,042	\$2,490,263
\$55,000	\$663,996	\$3,320,268
\$56,000	\$829,867	\$4,150,186
\$57,000	\$995,658	\$4,980,010
\$58,000	\$1,161,325	\$5,809,659
\$59,000	\$1,326,859	\$6,639,086
\$60,000	\$1,492,260	\$7,468,244
\$70,000	\$3,136,200	\$15,728,847
\$80,000	\$4,757,146	\$23,901,228
\$90,000	\$6,350,943	\$31,957,866
\$100,000	\$7,913,365	\$39,881,815

As the table shows, **a \$1,000 increase in the property tax exemptions is anticipated to result in a revenue loss of \$166,019 in FY15, and \$830,103 over the next five years.**

Considerations Related to Systematic Increases in the Exemption Amount

Resolution No. 20130926-084 directed staff to “propose a procedure that would allow the City Council to consider annual increases in the property tax exemptions for seniors and people with disabilities which would offset the burden of a property tax increase for the owner of a median priced home.” Calculating the annual increase in the exemption amount necessary to achieve this outcome is relatively straightforward and implementation would only require annual Council approval of an Ordinance establishing the required exemption level. Approval of the Ordinance change would preferably occur prior to March of each year in order to be reflected on the April appraisal notices and to improve the reliability of property tax revenue forecasts during the annual budget process.

While the method for achieving tax neutrality for the owner of a median-valued home that receives one of the exemptions is simple, the fiscal implications are significant. For example, since the last time the exemption ordinance was updated in 1986, the tax bill on a representative home, net of the exemption, has increased by nearly \$900, or about \$33 per year. The revenue loss associated with returning a representative home to the absolute level of tax paid in FY87 is **estimated at \$23.1 million in FY15**, and over \$120.6 million over the next five years, assuming the nominal tax rate. However, even the revenue losses associated with instituting a tax neutrality policy only on a go-forward basis compound rapidly.

Consider the table below, which shows projected increases in the City property tax bill if no adjustment were made to the current level of the exemptions or the number of properties receiving them, given current estimates for growth in assessed valuations and assuming the nominal tax rate.

FY	Median Value	Tax Rate	Exemption	Tax Bill	\$ Increase over Prior FY	% Increase over Prior FY
2013	\$178,327	0.5029	\$51,000	\$640.33		
2014	\$185,133	0.5027	\$51,000	\$674.29	\$33.96	5.3%
2015	\$194,390	0.5027	\$51,000	\$720.82	\$46.53	6.9%
2016	\$204,109	0.5027	\$51,000	\$769.68	\$48.86	6.8%
2017	\$210,437	0.5027	\$51,000	\$801.49	\$31.81	4.1%
2018	\$216,960	0.5027	\$51,000	\$834.28	\$32.79	4.1%
2019	\$223,469	0.5027	\$51,000	\$867.00	\$32.72	3.9%

Cumulatively, then, over the five year period from FY15 to FY19, our baseline scenario shows that the owner of a median-value home, net of either exemption, would be expected to pay approximately \$3,933 in property tax, and see his or her City property tax bill grow by an average of 5.2% per year.

The table below shows the increases in the amount of the exemption required to hold the tax bill on a median-value home flat at its FY14 level of about \$674.

FY	Median Value	Tax Rate	Exemption	Tax Bill	\$ Increase over Prior FY	% Increase over Prior FY
2013	\$178,327	0.5029	\$51,000	\$640.33		
2014	\$185,133	0.5027	\$51,000	\$674.29	\$33.96	5.3%
2015	\$194,390	0.5027	\$60,000	\$674.29	\$0.00	0.0%
2016	\$204,109	0.5027	\$70,000	\$674.29	\$0.00	0.0%
2017	\$210,437	0.5027	\$76,000	\$674.29	\$0.00	0.0%
2018	\$216,960	0.5027	\$83,000	\$674.29	\$0.00	0.0%
2019	\$223,469	0.5027	\$89,000	\$674.29	\$0.00	0.0%

Under this scenario, the homeowner would pay a total of \$3,371 in property tax over the five year period from FY15 to FY19—about \$562 less than in the baseline scenario—as the amount of the exemptions ultimately rises to \$89,000 to maintain a constant tax bill. The revenue loss of this scenario is estimated at nearly \$1.5 million in FY15 and \$20.3 million over the next five years. **As a result of this significant loss of revenue, staff recommends against enacting any policy that would result in a permanently fixed level of tax revenue from any specific property owner, i.e. the owner of median-value home.**

Another potential mechanism for increasing the annual exemption amount that Council may wish to consider would be to adjust the exemptions by the same percentage as the change in the tax bill on a median-value home, net of either exemption, during the two most recent fiscal years.

For instance, from FY13 to FY14 the property tax bill on the median-value Austin home, net of either exemption, rose from about \$640 to about \$674, an increase of 5.3%. Following this prospective approach, the exemptions would increase by 5.3% for FY15, which, with rounding, would bring them to \$54,000, an increase of \$3,000.

The following table shows a similar forecast, but assumes that the level of the exemptions would increase in accordance with the methodology described above.

FY	Median Value	Tax Rate	Exemption	Tax Bill	\$ Increase over Prior FY	% Increase over Prior FY
2013	\$178,327	0.5029	\$51,000	\$640.33	-	-
2014	\$185,133	0.5027	\$51,000	\$674.29	\$33.96	5.3%
2015	\$194,390	0.5027	\$54,000	\$705.74	\$31.45	4.7%
2016	\$204,109	0.5027	\$57,000	\$739.52	\$33.78	4.8%
2017	\$210,437	0.5027	\$60,000	\$756.24	\$16.73	2.3%
2018	\$216,960	0.5027	\$61,000	\$784.01	\$27.77	3.7%
2019	\$223,469	0.5027	\$63,000	\$806.68	\$22.67	2.9%

Under this scenario, the owner of a median-value home, net of either exemption, would pay approximately \$3,792 cumulatively over the five-year period from FY15 to FY19, or about \$200 less than in the baseline scenario. As the table shows, the amount of the exemption would increase from its current level of \$51,000 to \$63,000 in FY19. The revenue loss of this scenario is estimated at \$498,042 in FY15 and \$6.64 million over the next five years.

Conclusion

Any prospective increase in tax exemption for disabled homeowners or those aged 65 and older must be carefully weighed against how such an action would affect Austin's affordability for all its residents. City management has communicated its intent to present a proposed fiscal year 2014-15 Budget that maintains the property tax rate at 50.27 cents per \$100 of assessed value. Any increase in the authorized level of this tax exemption will increase the challenge of achieving this goal while maintaining current service levels. Given certain fixed cost drivers, the pool of funding available for new programming and for enhancements of existing services is already limited. Any increase in this exemption will result in foregone General Fund revenue in fiscal year 2014-15 and beyond and should carefully be weighed against other potential funding priorities.

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	30226	Agenda Number	6.
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Meeting Date:	3/6/2014	Department:	Budget Office
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Subject

Approve an ordinance establishing the value of the exemption from ad valorem taxes for a portion of the appraised value of residential homesteads owned by individuals who are disabled or are 65 years of age or older.

Amount and Source of Funding

Fiscal Note

A fiscal note is attached.

Purchasing
Language:Prior Council
Action:

September 26, 2013 – Council Resolution No. 20130926-084

For More
Information:

Ed Van Eenoo, Deputy Chief Financial Officer / 974-2610

Boards and
Commission
Action:

MBE / WBE:

Related Items:

Additional Backup Information

The City of Austin offers ad valorem (property) tax exemptions to seniors and people with disabilities. These exemptions have not been increased since they were set at \$51,000 by Council in 1986. Council, in Resolution 20130926-084, expressed concerns regarding this amount and the lack of increase in the amount over the years.

Council requested the City Manager to report back regarding the estimated impact on the general fund revenue for a one thousand dollar increase in these exemptions and to draft an ordinance that increases the City of Austin property tax exemptions for seniors and people with disabilities in the Fiscal Year 2014 -2015 Budget and to place it on the City Council agenda within a timeframe that would allow the appraisal district to implement a change in the exemption amount in the property taxes set by the Fiscal Year 2014-2015 City of Austin Budget.

This ordinance provides the opportunity for Council to consider an increase in these amounts of property tax exemptions within the requested timeframe.

ORDINANCE NO. 20140320-006

AN ORDINANCE ESTABLISHING THE VALUE OF THE EXEMPTION FROM AD VALOREM TAXES FOR A PORTION OF THE APPRAISED VALUE OF RESIDENTIAL HOMESTEADS OWNED BY INDIVIDUALS WHO ARE DISABLED OR ARE 65 YEARS OF AGE OR OLDER.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Council finds that Texas Tax Code Section 11.13 authorizes a partial exemption from ad valorem (property) taxes on the appraised value of residential homesteads owned by individuals who are disabled, or are 65 years of age or older.

PART 2. Council finds that it has adopted an exemption under Texas Tax Code Section 11.13 in the amount of \$51,000 and that this amount has not increased since 1996.

PART 3. Council finds that it is in the public interest to increase this exemption to offset the increase in ad valorem taxes that has occurred since initial adoption of this partial exemption amount.

PART 4. Council adopts the amount of \$70,000 as the partial exemption from ad valorem taxes for individuals who are disabled or are 65 years of age or older.

PART 5. As set forth in Texas Tax Code Section 11.13, joint or community owners of property may not each receive the same exemption adopted by the ordinance for the same residence homestead, nor may an eligible disabled person who is 65 years of age or older receive both a disabled and an elderly residence homestead exemption but shall choose only one.

PART 6. The partial exemption adopted pursuant to this ordinance applies to the tax year beginning January 1, 2014.

PART 7. This ordinance takes effect on March 31, 2014.

PASSED AND APPROVED

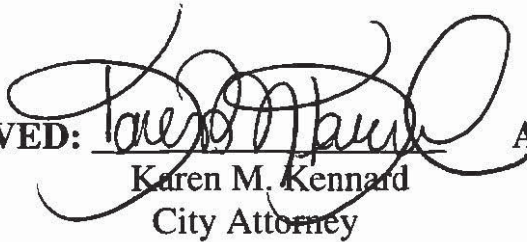
March 20, 2014

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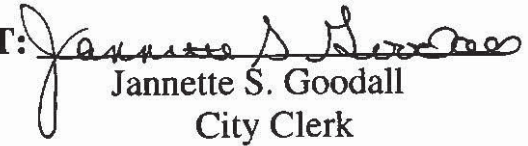
Lee Leffingwell
Mayor

APPROVED:



Karen M. Kennard
City Attorney

ATTEST:



Jannette S. Goodall
City Clerk

OPERATING BUDGET REVISED FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

3/6/13

CONTACT DEPARTMENT(S):

Financial Services

FUND:

General

SUBJECT: Approve an ordinance establishing the value of the exemption from ad valorem taxes for a portion of the appraised value of residential homesteads owned by individuals who are disabled or are 65 years of age or older.

ESTIMATED CURRENT YEAR IMPACT: This item does not result in unrealized revenue in FY 2014. Any partial exemption would be reflected in the FY 2015 budgeted revenue of the General Fund.

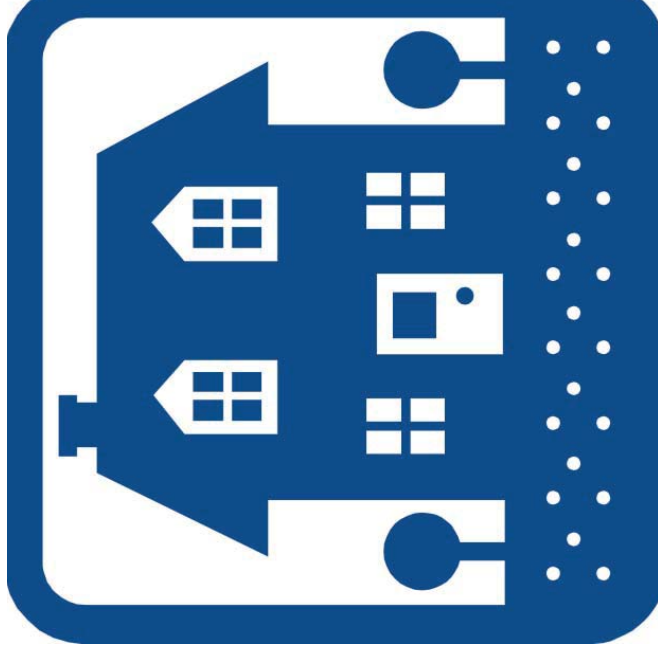
The chart below illustrates examples for partial exemption amounts and the estimated impact on property tax revenue to the General Fund:

Increase Exemption from \$51,000 to:	=	General Fund FY15 Estimated Unrealized Revenue	5-Year Total Estimated Unrealized Revenue
\$52,000	=	\$170,619	\$853,100
\$53,000	=	\$341,234	\$1,706,188
\$54,000	=	\$511,840	\$2,559,247
\$55,000	=	\$682,391	\$3,412,241
\$56,000	=	\$852,857	\$4,265,150
\$57,000	=	\$1,023,241	\$5,117,964
\$58,000	=	\$1,193,498	\$5,970,586
\$59,000	=	\$1,363,618	\$6,822,950
\$60,000	=	\$1,533,602	\$7,674,956
\$70,000	=	\$3,223,101	\$16,157,608
\$80,000	=	\$4,889,001	\$24,542,468
\$90,000	=	\$6,527,033	\$32,803,524
\$100,000	=	\$8,132,853	\$40,922,585
\$110,000	=	\$9,703,596	\$48,883,232
\$120,000	=	\$11,233,780	\$56,670,874
\$130,000	=	\$12,717,428	\$64,258,354
\$140,000	=	\$14,146,915	\$71,616,554
\$150,000	=	\$15,512,977	\$78,707,792
\$160,000	=	\$16,800,774	\$85,488,088
\$170,000	=	\$18,013,817	\$91,904,443
\$180,000	=	\$19,149,884	\$97,963,584

ANALYSIS / ADDITIONAL INFORMATION: This ordinance is not amending the Operating Budget of any department. This action details the estimated unrealized revenue resulting from this ordinance to provide for a partial exemption from ad valorem taxes for who are disabled or are 65 years of age or older. Analysis assumes the FY 2014 property tax rate of 50.27 cents per \$100 of assessed value and is based on tax year 2013 property value information provided by the Appraisal Districts. The total estimated unrealized revenue will be determined by the amount of any additional exemption Council acts to approve. Please note that these cost figures have been revised at Council's request in advance of the March 6, 2014 Council meeting in accordance with the revised methodology outlined by Deputy Chief Financial Officer Ed Van Eenoo in his February 28, 2014 memo to Mayor and Council.



Over 65 & Disabled Persons Property Tax Exemptions



Presentation to City Council
by the Financial Services Department
March 20, 2014



Background & Context

- ❑ Instituted in 1974 at \$3,000; last updated in 1986, increased to \$51,000
- ❑ 31,686 properties receiving Over 65 exemption; 2,395 receiving Disabled Persons exemption; total taxable value of \$7 billion, or about 7.9% of total tax roll
- ❑ Seniors own homes at a significantly higher rate: 75% of seniors live in an owner-occupied household vs. only 45% for the city as a whole
- ❑ Seniors are increasing as a share of our populations: currently 7.7%, projected to reach 16% by 2040



Cost Projections

Increase Exemption To:	FY15 Lost Revenue	O65/DP Savings	Cost to Median-Value Homeowner
\$52,000	\$170,619	\$5.03	\$0.36
\$53,000	\$341,234	\$10.05	\$0.71
\$54,000	\$511,840	\$15.08	\$1.07
\$55,000	\$682,391	\$20.11	\$1.43
\$56,000	\$852,857	\$25.14	\$1.79
\$57,000	\$1,023,241	\$30.16	\$2.15
\$58,000	\$1,193,498	\$35.19	\$2.50
\$59,000	\$1,363,618	\$40.22	\$2.86
\$60,000	\$1,533,602	\$45.24	\$3.22
\$70,000	\$3,223,101	\$95.51	\$6.79
\$80,000	\$4,889,001	\$145.78	\$10.34
\$90,000	\$6,527,033	\$196.05	\$13.85
\$100,000	\$8,132,853	\$246.32	\$17.32



Other Area Taxing Jurisdictions' Exemption Policies

	Senior/ Disabled Exemption	Recent Action
City of Austin	\$51,000	
Travis County	\$70,000	Increased by \$5,000 in 2012
AISD	<p>O65: Combined \$35,000 (\$10,000 state mandated + \$25,000 local option)</p> <p>-or-</p> <p>Disabled Persons: Combined \$35,000 (\$10,000 state-mandated + \$15,000 local option)</p> <p>+ State-mandated tax freeze</p>	
ACC	\$115,000	Increased by \$10,000 each year from 2007 - 2010
Healthcare District	\$70,000	Increased by \$5,000 in 2012



M E M O R A N D U M

TO: Mayor & Council Members

FROM: Ed Van Eenoo, Deputy Chief Financial Officer *EW*

DATE: July 30, 2014

SUBJECT: Response to Council Resolution 201406026-074 re: Cost Impact of a Prospective General Homestead Exemption

Council Resolution 201406026-074, passed on June 26, 2014, directed the City Manager to “analyze the impact on homeowners and the City budget of providing a general homestead exemption as a percentage of appraise value and to present this information to Council at the earliest possible budget or Council work session.” This memo presents this analysis in advance of tomorrow’s work session, at which time staff will be available to answer any additional questions Council may have.

The parameters governing the establishment of a general homestead exemption are outlined in State law. Any taxing unit has the option of offering an exemption of up to twenty percent of a property’s appraised value. To qualify for this exemption, a resident must have an ownership interest in the property and occupy it as his or her primary residence as of January 1 of a given tax year. The homeowner must also be an individual, as opposed to a corporation or other business entity.

State law also provides that taxing units must take action before July 1 of a given tax year to offer this exemption. As a result of this deadline, should Council choose to offer this exemption, it would not take effect until fiscal year 2015-16. Nevertheless, because generating an estimate as to the cost of offering this exemption depends upon the analysis of specific property value data provided by the Travis Central Appraisal District, all cost estimates are based on the City of Austin tax year 2014 property tax roll and fiscal year 2014-15 proposed property tax rate, and cost impact has been evaluated in comparison with fiscal year 2014-15 proposed General Fund property tax revenue.

The table below displays the property tax revenue that would be lost at the fiscal year 2014-15 proposed property tax rate at the maximum exemption level of 20%:

Level of Exemption	GF Revenue w/o exemption	GF Revenue w/ exemption	Change vs. Proposed Revenue	Annual Savings for Owner of Median-Value Home
20%	\$352.5M	\$316.8M	(\$35.6M)	\$189.00

For lower percentage levels of exemption, the revenue loss, as well as the savings to the owner of a median-value home, are predominantly linear functions. In other words, the revenue loss from a 10% exemption is approximately half of that from a 20% exemption, and the savings to the median-value homeowner would be half as large as well.

This linear relationship begins to break down as very small percentage exemptions are approached, due to the effect of the \$5,000 minimum exemption value. State law allows taxing entities the freedom to adopt any percentage level of exemption at or below 20%. Therefore, it would be possible to adopt an exemption at a very small percentage level that had the practical effect of resulting in \$5,000 fixed-value exemption. Assuming that each homestead in the city received a \$5,000 exemption yields the estimated cost impacts below:

Level of Exemption	GF Revenue w/o exemption	GF Revenue w/ exemption	Change vs. Proposed Revenue	Annual Savings for Owner of Median-Value Home
\$5,000	\$352.5M	\$349.4M	(\$3.1M)	\$24.05

It is also worth noting that a percentage-based exemption results in a proportionately larger exemption as home value rises. For example, a home valued at twice the median would realize twice as much tax savings. In the case of a fixed exemption amount, every homeowner receives the same amount of tax savings regardless of home value.

cc: Marc Ott, City Manager
Deputy City Manager
Assistant City Managers
Chief Financial Officer

Homestead Exemption: Parameters & Timeline

 Any taxing unit, including a city, county, school district or special district, has the option of offering a separate exemption of up to 20 percent of the property's appraised value.

 Minimum exemption of \$5,000, regardless of property value or percentage level of exemption.

 To be eligible, resident must have an ownership interest in property and use as primary residence.

 Homeowner must be an individual (for example: not a corporation or other business entity) and use the home as his or her principal residence on January 1 of the tax year.

 The taxing unit must decide before July 1 of the tax year to offer this exemption; therefore any exemption would not take effect until FY 2015-16.

Homestead Exemption: Comparison with Peer Jurisdictions

Peer Cities

City of Dallas	20%
City of Fort Worth	20%
City of Houston	20%
City of San Antonio	None

Overlapping Taxing Entities

Travis County	20%
AISD	\$15,000 (state mandated)
ACC	1%
Central Health	20%

Homestead Exemption: Cost at Proposed Tax Rate

This table shows the General Fund property tax revenue that would be lost at FY 2013-14 certified property values using the proposed tax rate of 48.09 cents per \$100 of taxable value. Actual revenue loss in FY 2015-16 would vary depending upon the tax rate and certified property values in that tax year.

Level of Exemption	Tax Rate	GF Revenue Generated	Change vs. Proposed Revenue	Annual Savings for Owner of Median-Value Home
No Homestead Exemption	48.09¢	\$352.5M	-	-
20%	48.09¢	\$316.8M	(\$35.6M)	\$189.00
\$5,000	48.09¢	\$349.4M	(\$3.1M)	\$24.05

**2014-2015 PROPOSED BUDGET
RESPONSE TO REQUEST FOR INFORMATION**

DEPARTMENT: FSD - Budget

REQUEST NO.: 120

REQUESTED BY: Morrison

DATE REQUESTED: 8/25/14

DATE POSTED: 9/5/14

REQUEST: Regarding homestead exemptions, please provide an analysis of the impact of a hypothetical hybrid system that allows an exemption that is based on a percentage of the property value but is capped, e.g. a 20% exemption up to a maximum exempted value of \$50,000. Please provide illustrative scenarios in your response.

RESPONSE:

The parameters governing the establishment of a general homestead exemption are outlined in State law. Any taxing unit has the option of offering an exemption of up to twenty percent of a property's appraised value, with a minimum of \$5,000 in value exempted. Taxing units are not granted the authority under state law to increase this minimum value exempted, nor are they currently allowed to set a cap on the maximum value that may be exempted.

In a memo to Mayor and Councilmembers on July 30, 2014, drafted in response to Council Resolution 20140626-074, financial staff calculated the impact of a 20% general homestead exemption, including the state-mandated minimum exempted value of \$5,000, at \$35.6 million in foregone General Fund property tax revenue.

The table below displays the General Fund property tax revenue that would be foregone should state law be altered to allow for hybrid homestead exemption regimes comprising percentage-based exemptions subject to a cap on the maximum value exempted. Please note that all impacts are based on the tax year 2014 certified tax roll and the FY 2014-15 proposed property tax rate of 48.09 cents per \$100 of assessed value:

% Exemption	Maximum Value Exempted	Foregone General Fund Property Tax Revenue
20%	\$25,000	\$15.2M
20%	\$50,000	\$25.3M
20%	\$75,000	\$30.3M
20%	\$100,000	\$32.7M
20%	No Cap	\$35.6M



Recommendation for Council Action

Austin City Council	Item ID	37715	Agenda Number	14.
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Meeting Date:	11/20/2014	Department:	Budget Office
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Subject

Approve an ordinance establishing an exemption of 0.01% of the assessed value of residence homesteads resulting in a \$5,000 tax exemption for all homesteaded properties.

Amount and Source of Funding

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	August 28, 2014 – Council Resolution No. 20140828-086 directed the City Manager “to return to Council with an ordinance establishing a percentage-based homestead exemption that results in a \$5,000.00 tax exemption for all homesteaded properties no later than December 1, 2014.”
For More Information:	Ed Van Eenoo, Deputy Chief Financial Officer / 974-2610
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

Council Resolution No. 20140828-086 directed the City Manager “to return to Council with an ordinance establishing a percentage-based homestead exemption that results in a \$5,000.00 tax exemption for all homesteaded properties no later than December 1, 2014.”

The parameters governing the establishment of a general homestead exemption are outlined in State law. To qualify for this exemption, a resident must have an ownership interest in the property and occupy it as his or her primary residence as of January 1 of a given tax year. The homeowner must also be an individual, as opposed to a corporation or other business entity.

Any taxing unit has the option of offering an exemption of up to twenty percent of a property's appraised value. However, if the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. Therefore, it is possible to adopt an exemption at a very small percentage level that has the practical effect of resulting in a \$5,000 fixed-value exemption.

Based on the most recently available data from local appraisal districts, there are 133,220 residence homesteads in the City of Austin. At the City's current property tax rate of 48.09 cents per \$100 of taxable value, granting a \$5,000 exemption to each of these homesteads would result in \$3.2 million in foregone General Fund property tax revenue.

ORDINANCE NO. 20141120-014

AN ORDINANCE ESTABLISHING THE VALUE OF A PERCENTAGE-BASED HOMESTEAD EXEMPTION FROM AD VALOREM TAXES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Council finds that Texas Tax Code Section 11.13(n) authorizes the city to establish a percentage-based exemption from ad valorem (property) taxes on the appraised value of residential homesteads. If the percentage set by the city produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value.

PART 2. Council finds that it is in the public interest to establish such a homestead exemption in the amount of 0.01% of the assessed value of residence homesteads. This percentage will effectively result in a \$5,000 exemption.

PART 3. Council adopts the amount of 0.01% as the homestead exemption from ad valorem taxes.

PART 4. The exemption adopted pursuant to this ordinance applies to the tax year beginning January 1, 2015.

PART 5. This ordinance takes effect on December 1, 2014.

PASSED AND APPROVED

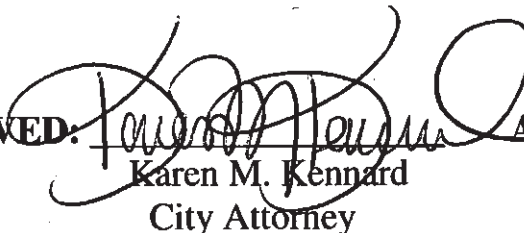
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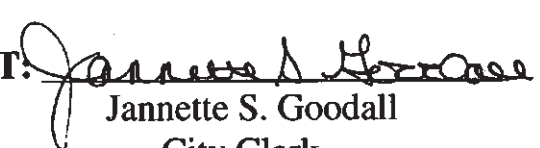
Lee Leffingwell
Mayor

APPROVED:



Karen M. Kennard
City Attorney

ATTEST:



Jannette S. Goodall
City Clerk

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

11/20/14

CONTACT DEPARTMENT(S):

Financial Services

FUND:

Support Services

SUBJECT: Approve an ordinance establishing an exemption of 0.01% of the assessed value of residence homesteads resulting in a \$5,000 tax exemption for all homesteaded properties.

CURRENT YEAR IMPACT: This item has no fiscal impact in FY 2015.

FIVE-YEAR ESTIMATED IMPACT:

	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
Total Revenue	<u>0</u>	<u>(3,129,452)</u>	<u>(3,132,078)</u>	<u>(3,134,706)</u>	<u>(3,137,336)</u>
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Budget Impact	<u>0</u>	<u>(3,129,452)</u>	<u>(3,132,078)</u>	<u>(3,134,706)</u>	<u>(3,137,336)</u>

ANALYSIS / ADDITIONAL INFORMATION: This Council action is the result of Council Resolution No. 20140828-086 which directed the City Manager “to return to Council with an ordinance establishing a percentage-based homestead exemption that results in a \$5,000 tax exemption for all homesteaded properties no later than December 1, 2014.”

Based on the most recently available data from local appraisal districts, there are 133,220 residence homesteads in the City of Austin. At the City’s current property tax rate of 48.09 cents per \$100 of taxable value, granting a \$5,000 exemption to each of these homesteads would result in an estimated \$3,129,452 in foregone General Fund property tax revenue in FY 2016. Due to anticipated growth in the number of residence homesteads, and assuming no change in the tax rate, the amount of foregone revenue would increase in subsequent out years.



City of Austin Legislative Program For the 84th Session of the Texas Legislature

General Principles

Austin supports legislation that enhances the City's ability to solve problems and improve the quality of life for its citizens. Austin opposes legislation that reduces the City's authority, increases the City's costs, or otherwise erodes the City's ability to govern its own local affairs. The City's goal is to work with other cities and the Texas Municipal League in a spirit of collaboration and teamwork. When the Municipal League's positions are consistent with ours, Austin will support the Municipal League and other cities in their legislative efforts, even when Austin is not directly impacted.

Primary Issues

- Monitor all legislation related to the electric utility industry and take appropriate action to both protect the current status of the Texas electric markets and to maintain local control of taxpayer investment in Austin Energy.
- Oppose any reduction of Austin's water rights or future water resources.
- Oppose appraisal and/or revenue caps that would limit Austin's ability to raise revenues for providing necessary city services.
- Protect Austin's citizens and taxpayers from bearing the burden of paying for State mandates and from collecting revenues for the State.
- Protect municipal authority over rights-of-way and ensure that Austin can continue to be compensated for the private, commercial use of public property.
- Support the zoning authority cities currently have and protect the city's annexation and extra-territorial authority.
- Oppose any legislation that would reduce Austin's authority to protect the environment or protect water quality.
- Maintain the current ability of Austin to acquire property for uses that benefit its citizens and protect local taxpayers from paying additional compensation to individuals and businesses for decisions made in the public interest.
- Oppose any legislation that erodes municipal sovereign immunity.
- Seek adequate funding for health care programs to support the uninsured and underinsured residents of Austin, Travis County, and all local and regional health care programs.
- Support legislation that would require mandatory disclosure of real estate sales prices.
- Support additional funding options for city and regional transportation programs.

Support

- Capital Metro's efforts to authorize metro transit authority vehicles to operate on the shoulders of congested freeways as permitted by the Texas Department of Transportation Engineer after considering the safety and benefits.
- Legislation strengthening municipal burglar alarm response and permitting standards.
- Increasing fines and fees designed for child safety programs, school safety, and crossing guards.
- Higher water conservation standards for plumbing fixtures, better irrigation and landscape practices, and protecting city authority to establish conservation standards.
- Maintaining joint state and local authority over City of Austin employee retirement plans.
- Continuing State funding for social services, including homeless programs.
- Continuing State funding for public libraries.
- Legislation modifying the Construction Manager at Risk statute to restore purchaser's ability to examine subcontractor data prior to bid acceptance.
- Legislation regarding Design Build Contracts for civil projects to require that the construction phase is protected by performance bonds, and other minor changes to minimize risk to cities.
- Legislation that positively affects the mission of municipal animal shelters, animal health, veterinary medicine, and any animal related regulations.

Endorse

- Authorizing increased land development regulation powers including fire safety regulations for urban counties.
- Legislation making municipal court compliance dismissals consistent relative to the fees charged and dates by which compliance must be achieved.

Oppose

- Prohibiting the authority of City officials to use municipal funds to communicate with legislators.
- Preempting or prohibiting the regulation by a city of businesses that make, obtain, or provide advice or assistance to consumers in obtaining payday or auto title loans.

Items added by Council resolution after the approval of the 83rd Legislative Program

Support

1. Legislation that would close existing and potential loopholes, to both state and municipal regulations, that are used or could be used by businesses that make, obtain, or provide advice or assistance to consumers in obtaining payday or auto title loans.
2. Full expansion of Medicaid coverage to all eligible adults in Texas who are living at or below 133% of the Federal Poverty Level, plus 5% income disregard, in accordance with the provisions of the Patient Protection and Affordable Care Act of 2010.
3. Legislation that would distribute air quality funds collected from the Inspection & Maintenance program back to local areas based on the program's intended purpose, as well as reinstating

Rider 8 funds to their pre-2012 levels in order to maintain local air quality programs at an effective level.

4. Restoring full state funding of Women's Preventative Health and Family Planning Services to pre-2011 budget cut levels.
5. Including only unbiased, non-leading, scientifically founded information in the Women's Right to Know pamphlets provided by the Texas Department of State Health Services.
6. Constitutional Amendment and legislation allowing for a local-option flat-tax exemption to ad valorem taxes by local governments.
7. Prioritizing access to transit for the TDHCA Low Income Tax Credit Program.
8. Legislation that addresses unfair disparities in pay, including, but not limited to the Texas Lilly Ledbetter Act.
9. Legislation that increases the statewide minimum wages or authorizes municipal governments to enact higher local minimum wages.
10. Legislation mandating real estate sales price disclosure and other property tax and sales tax laws that would help cities fairly raise revenue from sources other than residential property taxes.
11. Legislation that would create an affirmative defense to prosecution for patients who are being treated by a licensed physician and who use medical marijuana; or legislation to legalize the use of medical marijuana.
12. Legislation that would reduce regulatory barriers to auxiliary water use that are consistent with public health requirements.
13. Legislation that would repeal any and all provisions that were passed in House Bill 2 (83rd Special Session) relating to the regulation of abortion procedures, providers and facilities.
14. Legislation that would create a hybrid homestead exemption that would allow for a percentage-based homestead exemption subject to a cap on the maximum value exempted.

Items added by Council resolution after the approval of the 84th Legislative Program

Support

1. Legislation that expands the authority of municipalities with respect to the use of public improvement districts to encourage tourism.
(12-11-14, RESOLUTION NO. 20141211-037)
2. Legislation that would allow military personnel to claim a Texas homestead exemption when stationed in another state within the United States for a period of longer than two years.
(12-11-14, RESOLUTION NO. 20141211-130)

Summary of Property Value Exemptions for Local Taxing Entities

	General Homestead Exemption	Senior/ Disabled Exemption	Other Exemptions
City of Austin	0.01%, minimum of \$5,000	\$70,000	Yes, Historical
Travis County	20%, minimum of \$5,000	\$70,000	Yes, Historical
AISD	\$15,000 (state- mandated)	\$35,000 (25,000 disabled persons) + Tax freeze	Yes, Historical, Transitional Housing
ACC	1%, minimum of \$5,000	\$125,000	
Healthcare District	20%, minimum of \$5,000	\$70,000	

Property Appraised Value, Taxable Value, Tax Rates,
Tax Levies, and Tax Collections
Last Ten Fiscal Years

City of Austin, Texas
Table 7

Fiscal Year Ended	Valuation Date	Ratio of Taxable Value to Appraised Value	Total Appraised Value	Less Exemptions (October 1)	Total Taxable Value (October 1)	Percent of Growth In Taxable Value	Tax Rate (per \$100 Valuation)					Percentage Change in Tax Rate	
							General			Debt			Total
							Fund	Fund	Fund	Service	Fund		
Sept. 30	(January 1)	Appraised Value	at January 1	(October 1)	(October 1)	%	\$	\$	\$	\$	\$	%	
2004	2003	93.53	52,348,646,852	3,384,371,844	48,964,275,008	(3.54)	0.3236	0.1692	0.4928			7.20	
2005 (1)	2004	93.31	53,268,024,350	3,565,117,828	49,702,906,522	1.51	0.2747	0.1683	0.4430			(10.11)	
2006	2005	85.47	61,246,465,280	8,896,822,983	52,349,642,297	5.33	0.2841	0.1589	0.4430			0.00	
2007	2006	84.61	71,515,572,939	11,003,244,050	60,512,328,889	15.59	0.2760	0.1366	0.4126			(6.86)	
2008	2007	85.81	80,103,507,188	11,366,716,262	68,736,790,926	13.59	0.2730	0.1304	0.4034			(2.23)	
2009	2008	86.54	88,688,319,460	11,936,311,723	76,752,007,737	11.66	0.2749	0.1263	0.4012			(0.55)	
2010	2009	87.63	92,388,003,449	11,427,462,473	80,960,540,976	5.48	0.2950	0.1259	0.4209			4.91	
2011	2010	88.15	88,051,834,377	10,432,484,993	77,619,349,384	(4.13)	0.3262	0.1309	0.4571			8.60	
2012	2011	87.04	91,015,898,946	11,796,118,067	79,219,780,879	2.06	0.3551	0.1260	0.4811			5.25	
2013	2012	87.30	95,412,581,152	12,118,044,659	83,294,536,493	5.14	0.3821	0.1208	0.5029			4.53	
2014 (2)	2013	87.04	101,732,331,438	13,183,762,465	88,548,568,973	6.31	0.3856	0.1171	0.5027			(0.04)	

Fiscal Year Ended	Valuation Date (January 1)	Total Tax Levy (October 1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total		Total		Percentage of Levy
			Percentage of Levy			Collections to Date		Outstanding Delinquencies (3)		
			Amount	%		Amount	%	Amount	%	
Sept. 30	(January 1)	\$	\$		Years	\$	%	\$	%	
2004	2003	241,295,947	239,017,055	99.06	1,609,686	240,626,741	99.72	8,297,267		3.44
2005 (1)	2004	220,183,876	217,913,724	98.97	1,036,339	218,950,063	99.44	8,411,887		3.82
2006	2005	231,908,915	230,867,812	99.55	691,673	231,559,485	99.85	9,867,232		4.25
2007	2006	249,673,869	248,705,821	99.61	550,777	249,256,598	99.83	8,717,040		3.49
2008	2007	277,284,217	274,903,217	99.14	1,542,120	276,445,337	99.70	9,338,671		3.37
2009	2008	307,929,055	304,956,471	99.03	1,655,867	306,612,338	99.57	9,626,876		3.13
2010	2009	340,762,916	337,268,213	98.97	849,533	338,117,746	99.22	10,591,712		3.11
2011	2010	354,798,046	351,707,776	99.13	1,042,423	352,750,199	99.42	11,589,297		3.27
2012	2011	381,126,366	378,351,758	99.27	--	378,351,758	99.27	12,177,159		3.20
2013	2012	418,888,224	416,202,468	99.36	--	416,202,468	99.36	12,662,032		3.02
2014 (2)	2013	445,133,656	**	**	**	**	**	**	**	**

** Information not yet available for fiscal year 2014.

Note: Appraisal district appraises property at market value.

- (1) Tax rate decreased by 6.35 cents per \$100 valuation for the value of services transferred to the Travis County Healthcare District.
- (2) Appraised value at January 1, 2014, is subject to change pending additional exemptions and appeals. Accordingly, the tax levy represents an estimate.
- (3) The total amount of outstanding delinquencies for all prior years as of fiscal year end.

Assessed Taxable Property Value by Class
Last Ten Fiscal Years (In thousands)

Fiscal Year Sept. 30	Single Family Property		Multi- Family Property		Land		Commercial Property		Personal Property		Total Assessed Taxable Value		Tax Rates (per \$100 Assessed Value)	
	\$		\$		\$		\$		\$		\$		\$	
2004	23,075,733		6,152,987		1,520,231		12,319,063		6,131,395		49,199,409		0.4928	
2005	24,636,792		6,234,367		1,520,474		11,469,167		6,135,499		49,996,299		0.4430	
2006	25,951,700		6,635,199		1,352,469		12,585,937		5,880,307		52,405,612		0.4430	
2007	28,790,589		7,888,961		1,532,388		15,684,225		6,333,882		60,230,045		0.4126	
2008	33,316,002		8,839,048		1,524,308		17,725,306		6,779,068		68,183,732		0.4034	
2009	37,453,292		9,896,356		1,389,608		19,800,799		7,915,406		76,455,461		0.4012	
2010	40,713,121		10,145,319		1,419,091		19,957,214		7,942,287		80,177,032		0.4209	
2011	40,652,702		9,611,968		1,367,974		18,531,700		6,932,805		77,097,149		0.4571	
2012	40,599,766		9,910,886		1,646,815		18,880,729		9,051,096		80,089,292		0.4811	
2013	41,050,945		11,115,108		1,599,889		20,237,454		9,575,131		83,578,527		0.5029	

Source: July certified tax rolls received from Travis and Williamson County Appraisal Districts. Excludes exemptions and appeal adjustments made between January 1 appraisal date and July certified roll date.

Note: Does not reflect appeal adjustments between July and October 1 assessment date. See Table 7 for additional property tax information.

Property Taxes and Tax Levies for Direct and Overlapping Governments with Applicable Percentages Over 10% Last Ten Fiscal Years

City of Austin, Texas
Table 9

Tax Rates (per 000's Assessed Value) for Fiscal Year Ended September 30

Government	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Austin	\$ 0.4928	\$ 0.4430	\$ 0.4430	\$ 0.4126	\$ 0.4034	\$ 0.4012	\$ 0.4209	\$ 0.4571	\$ 0.4811	\$ 0.5029
Austin Community College	0.0771	0.0900	0.0991	0.0965	0.0958	0.0954	0.0946	0.0951	0.0948	0.0951
Austin Independent School District	1.6137	1.6230	1.6230	1.4930	1.1630	1.2020	1.2020	1.2270	1.2420	1.2420
Del Valle Independent School District	1.7968	1.8063	1.8700	1.7277	1.4800	1.4800	1.4800	1.5300	1.5300	1.5300
Eanes Independent School District	1.7778	1.6705	1.6610	1.5625	1.2025	1.2025	1.2025	1.2025	1.2125	1.2125
Leander Independent School District	1.8300	1.7900	1.7500	1.6438	1.3334	1.3792	1.4223	1.4548	1.4998	1.5119
Manor Independent School District	1.7291	1.8262	1.8000	1.7680	1.5150	1.5350	1.5150	1.5150	1.5150	1.5150
North Austin MUD #1	0.5000	0.4500	0.4500	0.4500	0.4180	0.4050	0.3801	0.3819	0.3719	0.3450
Northwest Austin MUD #1	0.2632	0.2600	0.3000	0.2900	0.2750	0.2525	0.2427	--	--	--
Northwest Travis County RD #3	0.1660	0.1800	0.1650	0.1300	0.1100	0.1100	0.1250	0.1450	0.1550	0.1300
Pflugerville Independent School District	1.8500	1.8300	1.8500	1.6800	1.4700	1.4600	1.4600	1.4600	1.4800	1.5400
Round Rock Independent School District	1.8643	1.8572	1.8335	1.6406	1.3238	1.3324	1.3800	1.3800	1.3350	1.3800
Travis County (1)	0.4918	0.4872	0.4993	0.4499	0.4216	0.4122	0.4215	0.4658	0.4855	0.5001
Travis County Healthcare District	--	0.0779	0.0779	0.0734	0.0693	0.0679	0.0674	0.0719	0.0789	0.0789

Tax Levies (in 000's) for Fiscal Year Ended September 30

Government	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City of Austin	\$ 241,296	\$ 220,184	\$ 231,909	\$ 249,674	\$ 277,284	\$ 307,929	\$ 340,763	\$ 354,798	\$ 381,126	\$ 418,888
Austin Community College	37,321	44,345	49,521	70,836	72,389	79,189	82,756	79,524	80,596	84,766
Austin Independent School District	627,876	627,876	636,792	702,291	732,434	704,839	735,582	730,909	746,896	775,231
Del Valle Independent School District	36,980	36,719	38,980	43,792	43,898	47,600	46,563	43,736	44,867	46,004
Eanes Independent School District	104,611	99,760	106,455	116,394	100,971	111,930	115,036	110,042	111,792	116,443
Leander Independent School District	114,260	123,587	129,115	140,287	142,085	173,078	185,502	185,883	195,248	204,896
Manor Independent School District	25,144	26,742	28,499	33,568	35,816	37,916	43,116	38,829	40,609	48,860
North Austin MUD #1	2,736	2,753	1,196	2,765	2,873	2,859	2,859	2,750	2,713	2,660
Northwest Austin MUD #1 (2)	883	867	1,105	1,226	1,230	1,216	1,173	--	--	--
Northwest Travis County RD #3	611	621	627	601	524	546	582	576	607	565
Pflugerville Independent School District	83,918	89,397	96,641	97,889	95,934	104,552	108,097	104,112	105,197	111,719
Round Rock Independent School District	247,373	254,174	268,176	288,063	247,325	272,758	284,082	273,120	268,675	287,687
Travis County (1)	293,345	293,753	320,020	339,590	361,662	391,696	417,426	441,859	466,691	503,068
Travis County Healthcare District	--	50,416	60,798	55,520	59,543	64,629	66,842	68,303	75,928	79,480

Source: Travis Central Appraisal District, Williamson Central Appraisal District, Hays Central Appraisal District, and taxing entities.

Note: 2005 was initial year for Travis County Healthcare District Levy.

(1) Includes taxes and levies for Travis County and Farm to Market Roads.

(2) Northwest Austin MUD #1 discontinued in 2010.